



Distillate Watch

March 1, 2000

Energy Information Administration
Office of Oil & Gas

SUPPLY

- An increase in distillate production and a large rise in imports resulted in the first distillate stock build since the beginning of January. Total distillate stocks were 101.0 million barrels (MMB) on February 25, 2000, 1.7 MMB more than the previous week but 42.1 MMB less than last year. Low sulfur stocks at 61.4 MMB rose 1.1 MMB while heating oil stocks increased 0.7 MMB to 39.6 MMB. Distillate production increased 0.1 million barrels per day (MMBD) to 3.4 MMBD. Imports at 0.7 MMBD rose by 0.3 MMBD reaching a level last seen in early 1973. Demand increased to 3.8 million barrels per day, a rise of 45 thousand barrels per day.
- This week U.S. crude oil input increased to 14.2 MMBD with refiners utilizing 87.8 percent of 16.1 MMBD in operating capacity.

Distillate Production by Petroleum Administration for Defense District (Thousand Barrels per Day)

District	Total Distillate Week Ending					Low Sulfur (0.05% or less Sulfur) Week Ending				
	02/04/00	02/11/00	02/18/00	02/25/00	02/26/99	02/04/00	02/11/00	02/18/00	02/25/00	02/26/99
East Coast (PADD I)	430	490	476	468	468	119	163	147	151	215
Midwest (PADD II)	770	827	783	863	847	559	615	590	638	612
Gulf Coast (PADD III)	1,550	1,644	1,570	1,586	1,387	938	1,038	1,039	1,127	883
Rocky Mountain (PADD IV)	123	137	142	136	140	107	109	116	111	113
West Coast (PADD V)	386	373	421	392	458	322	309	342	312	328
U.S. Total	3,259	3,471	3,392	3,445	3,300	2,045	2,234	2,234	2,339	2,151

Distillate Stocks by Petroleum Administration for Defense District (Million Barrels)

District	Total Distillate Week Ending					Low Sulfur (0.05% or less Sulfur) Week Ending				
	02/04/00	02/11/00	02/18/00	02/25/00	02/25/99	02/04/00	02/11/00	02/18/00	02/25/00	02/25/99
East Coast (PADD I)	27.9	27.8	29.9	31.4	62.3	11.4	11.7	11.8	11.3	19.2
PADD IX	3.6	4.0	5.7	5.9	NA	0.7	0.8	1.4	1.6	NA
PADD IY	15.1	15.4	15.2	16.2	NA	5.6	5.7	5.2	5.1	NA
PADD IZ	9.2	8.4	8.9	9.4	NA	5.1	5.2	5.3	4.7	NA
Midwest (PADD II)	28.5	28.7	28.3	29.1	35.1	19.7	19.9	19.4	20.4	24.9
Gulf Coast (PADD III)	28.2	28.2	26.4	26.0	30.4	17.4	17.9	16.8	17.8	18.5
Rocky Mountain (PADD IV)	3.5	3.5	3.6	3.5	3.2	3.0	3.0	3.1	3.0	2.8
West Coast (PADD V)	11.6	11.2	11.1	10.9	12.1	9.1	9.1	9.1	8.9	8.8
U.S. Total	99.6	99.5	99.3	101.0	143.1	60.6	61.6	60.3	61.4	74.1

* See the *Weekly Petroleum Status Report* Appendix A for a description of the derivation of average inventory levels.

For information about distillate supply data, contact the National Energy Information Center at (202)586-8800. Internet: Infoctr@eia.doe.gov.

Source: Energy Information Administration, *Weekly Petroleum Status Report* (WPSR). Year-ago production data taken from comparable week last year; year-ago stock data interpolated from final Petroleum Supply Monthly data.

PRICES

- This week's speculation concerning a change in production cut agreements ranged from zero to two million barrels. The low end of the range was established by the Venezuelan oil minister in recognition of a seasonal 2.4-million barrel drop in world demand expected for the second quarter. Crude oil and product spot prices recorded an increase with heating oil up almost six cents per gallon in the New York Harbor despite mild temperatures and reports of a steady flow of foreign supplies.
- A rebound in spot prices propelled the average U.S. on-highway diesel fuel price forward by 0.5 cent to 146.1 cents per gallon on February 28, 2000. Regional price increases of up to 3.5 cents per gallon prevailed over a two-cent decline on the East Coast. Heating oil prices continued their downward spiral over the past week aided by the mild weather along the East Coast. The overall average residential price as of February 21, 2000, was 142.4 cents per gallon, down 15.0 cents from the February 14 price of 157.4 cents. Crude oil remains the largest single factor in the half-dollar differential in retail diesel and heating oil prices from last year.

No. 2 Distillate Spot Prices by City (Cents per Gallon)

City	Low-Sulfur Distillate					High-Sulfur Distillate				
	02/07/00	02/14/00	02/22/00	02/28/00	03/01/99	02/07/00	02/14/00	02/22/00	02/28/00	03/01/99
New York	105.70	80.06	74.88	83.75	33.72	110.30	79.70	75.73	81.63	31.89
Chicago	75.14	78.94	84.01	89.38	32.97	NA	NA	NA	NA	NA
Houston	71.89	74.44	72.61	80.31	31.70	76.10	74.83	71.98	72.31	29.47
Los Angeles (CARB)	87.50	88.50	89.25	94.00	42.63	NA	NA	NA	NA	NA

Source: Reuters Information Services.

No. 2 Distillate Retail Prices by Petroleum Administration for Defense District (Cents per Gallon, Including Taxes*)

District	On-Highway Diesel Fuel					Residential Heating Oil				
	02/07/00	02/14/00	02/21/00	02/28/00	03/01/99	01/31/00	02/07/00	02/14/00	02/21/00	02/15/99
East Coast (PADD I)	162.6	156.7	152.0	150.0	96.5	173.5	194.7	162.3	145.4	87.1
PADD IX	212.2	193.0	173.9	164.3	104.9	178.5	196.6	161.7	138.0	80.3
PADD IY	196.1	181.9	165.3	161.6	104.9	175.8	200.6	165.7	151.8	92.4
PADD IZ	143.7	142.5	144.3	143.8	92.2	129.1	136.5	138.3	136.9	85.1
Midwest (PADD II)	140.6	141.8	143.9	145.4	93.5	111.1	114.9	116.9	117.8	74.9
Gulf Coast (PADD III)	139.7	138.9	139.3	139.7	92.9	NA	NA	NA	NA	NA
Rocky Mountain (PADD IV)	139.3	139.8	140.9	142.4	99.2	NA	NA	NA	NA	NA
West Coast (PADD V)	145.4	144.8	147.5	151.0	103.4	NA	NA	NA	NA	NA
California	153.4	152.4	154.0	154.7	110.1	NA	NA	NA	NA	NA
U.S. Average**	147.0	145.6	145.6	146.1	95.6	166.7	186.1	157.4	142.4	85.7

Source: Diesel Fuel prices: Energy Information Administration, Form EIA-888, On-Highway Diesel Price Survey; Residential Heating Oil prices for PADDs I and II: from data supplied by 21 State Energy Offices (SHOPP prices) from October through mid-March.

* Taxes, if any, are not included in residential heating oil prices.

** Residential heating oil average is for PADDs I and II only.

NA =Not Available.

For information about distillate spot and diesel fuel retail price data, contact the National Energy Information Center: 202-586-8800; Internet: Infoctr@eia.doe.gov.